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1936

# PROHIBITING TIDELAND SURFACE OIL DRILLING. AUTHORIZING SLANT DRILLING FROM UPLANDS

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PROHIBITING TIDELAND SURFACE OIL DRILLING. AUTHORIZING SLANT DRILLING FROM UPLANDS California Proposition 4 (1936).  
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amendment as evils arising under their operation are exposed.

This Board would have power to grant licenses to sell liquor to be consumed upon the premises in any public eating-house anywhere and everywhere and to any person. No group of citizens, city, county, or other subdivision would have power to prevent liquor selling establishments. No protection would be given to schools, churches, theatres or other places of public assembly.

The only authority allowed to protest a license is the Legislative branch of a city or county. No provision is made for any citizen or other person to make a protest. No standard is provided requiring refusal of a license or the revocation of one already given.

The amendment specifies that alcoholic liquors containing not more than three and two-tenths per cent by weight of alcohol shall be classed as non-intoxicating. This statement is contrary to scientific fact and universal experience. In this respect the amendment is the most dangerous legislation ever proposed. No legislative authority could prohibit sale of intoxicating liquor to minors or children.

The Motor Vehicle Act of California defines drunken driving as "driving while an habitual user of narcotic drugs or under the influence of

narcotic drugs or intoxicating liquor." If one were arrested for driving while intoxicated, the prosecution would be compelled to prove that the liquor consumed contained more than three and two-tenths per cent by weight of alcohol. It would make convictions impossible in most cases.

The amendment imposes upon local peace officers the obligation of enforcement without any voice in granting or revoking licenses. If peace officers are to be made responsible for the consequences, they should have a voice in granting such licenses.

This amendment provides for three Commissioners at eight thousand dollars a year each and a vast and costly bureau. Twenty-five employees would be free from civil service requirements at salaries fixed by the Board without limitation.

A judge before whom a conviction is had for violating provisions of the amendment may recommend but not compel the revocation of a license to the convicted person.

Those who believe in home rule and wish to protect their homes and communities from liquor selling establishments in their midst should vote "NO" on this amendment.

J. E. WHITE.

NATHAN NEWBY.

**PROHIBITING TIDELAND SURFACE OIL DRILLING. AUTHORIZING SLANT DRILLING FROM UPLANDS. Initiative.** Prohibits drilling from surface of tide, submerged and overflowed lands not heretofore leased or allocated. Authorizes Director of Finance on behalf of State to execute thirty-year subsurface leases upon fourteen and  
**4** two-sevenths per cent royalty to State for extracting oil, gas or other hydrocarbons from beneath tide, submerged and overflowed lands by wells slanted from uplands, prohibiting pollution of tide, ocean, bay or inlet waters. Directs one-half State revenue from such leases be used to acquire, improve and maintain beaches and parks. Repeals conflicting legislation.

YES

NO

(For full text of measure, see page 7, Part II)

**Argument in Favor of Initiative  
Proposition No. 4**

You should vote "Yes" on Proposition Number 4, because:

It forever prohibits tideland oil drilling.

It protects beaches for bathing, fishing and navigation.

It definitely prohibits pollution of beaches and waters.

It protects state-owned oil pools from illegal drainage.

It provides revenue for purchase of additional public beaches.

It provides revenue for purchase of additional public state parks.

It provides revenue for proper maintenance of state parks and state beaches, making them available to the people.

It gives the state power to regulate drilling by slant-wells from littoral uplands into state-owned submerged oil pools.

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It reduces general taxes.

It is a step in the right direction because it establishes a precedent for safeguarding and proper utilization of natural resources of California.

It reserves to all incorporated cities their constitutional rights to regulate oil drilling within their boundaries—meaning that cities can prohibit all drilling or may establish zones in which drilling is prohibited.

Counties, also, under the constitution have the right to regulate oil drilling within county boundaries.

It protects littoral land owners along the ocean front, as no oil wells can be drilled on their lands without their express permission.

In 1928 voters of California passed a \$30,000,000 bond issue providing for purchase of additional state parks where 50% of the value of each area was donated by other sources. The state now owns seventy-one state parks, com-

ing the basis of one of the finest state park systems in the United States. The \$6,000,000 voted in 1928 has been exhausted, while the Commission has a very large and important uncompleted program. The program is based on a state-wide survey made by Frederick Law Olmsted, America's foremost park authority. This survey advises the purchase of much available beach land, not now owned by the public and in addition many inland projects, such as desert areas, lakes, redwood forests, mountains, historical monuments and landmarks. Completion of this program has been delayed because of lack of finances, which revenue created by this initiative will provide.

Passage of this measure will make future park bond issues unnecessary, and will provide for the entire state park system at no future expense to the taxpayers, while its failure will mean drainage of state pools by large oil companies without payment of proper compensation to the state.

One-half of revenue received by the state from leases is to be devoted to the sole purpose of acquiring, maintaining and developing state beaches and parks. Other half is to go into general fund for purpose of reducing taxes.

The California State Park Commission urges passage of this measure as the best means of protecting beaches and furnishing revenue without cost to taxpayers for continuing its notable state park program. The measure has been endorsed by many hundreds of civic and other organizations and almost unanimously by newspapers throughout the state.

Three determined efforts have been made in past few years to drill the tidelands for oil and spoil the beaches. Unless this measure is approved, it is fair to assume such efforts will continue and constitute a standing menace to our beaches. The passage of this measure stops tideland drilling for all time and definitely protects beaches and tidelands.

For the above reasons this measure should have the support of every voter in California.

Vote "Yes" on Proposition Number 4.

WM. E. COLBY,  
Chairman California State  
Park Commission.  
MRS. W. D. JAMES,  
President California Federation  
of Womens Clubs.  
HARTLEY RUSSELL,  
Grand President, Native  
Sons of the Golden West.

#### Argument Against Initiative Proposition No. 4

The real meaning of this measure would be better understood if entitled: "An Act granting Standard Oil Company of California the exclusive right to extract great oil and gas deposits known to exist beneath the state's tidelands at Huntington Beach in Orange County upon its own terms."

Under the guise of prohibiting pollution of ocean, bay or inlet water, and raising revenues

to "acquire, improve and maintain beaches and parks", this proposed law would enrich the Standard Oil Company and its affiliates at the expense of one of the state's greatest natural resources, the value of which, according to testimony of competent geologists, is at least five hundred million dollars.

The measure provides that oil and gas leases of state-owned tidelands shall be granted only to the owner of lands bordering the tidelands, which are all owned by the Standard Oil Company and its affiliates.

It fixes the royalty to be paid the State at only 14-2/7 percent, notwithstanding the fact that responsible bidders are ready and willing to pay at least forty percent and a substantial bonus, and the State could receive more than forty percent upon competitive bidding for the same privilege.

The Standard Oil Company lobbied through the legislature a similar bill which was vetoed because of the public protest it aroused. That bill provided for a royalty of 16-2/3%. A bill providing for leases to others on a 40% royalty, and measures authorizing the Division of State Lands to produce oil, gas and other hydrocarbons from State lands for the sole benefit of the State, were defeated through the influence of the Standard Oil Company.

"Save the Beaches" is the wolf-in-sheep's-clothing slogan used to promote this measure.

Through an organization created and financed by the Standard Oil Company, called "California Beaches Association", there are drawn into the net of its sinister purpose unsuspecting persons. It advocates clean beaches, to inspire public confidence in its recommendations.

Where it controls littoral lands, as at Huntington Beach, the Standard Oil Company has itself destroyed the beaches for public purposes as much as they can be destroyed, by innumerable wells drilled and now being operated by it at the water's edge, or by other operations either from the uplands or in the tidelands.

Maintenance of beaches and parks or prevention of pollution of the ocean or of interference with its public use where oil and gas exists, and along the hundreds of miles of beaches of California's coast where no oil or gas is recoverable, will not be aided by giving the state's rich oil and gas resources to any private interest for nominal or inadequate royalties.

The real purpose of the power behind the California Beaches Association, whose monthly bulletin is devoted to advocacy of this measure, is to save the beaches for the Standard Oil monopoly wherever they are underlaid with rich deposits of oil and gas.

The people will overwhelmingly vote "NO" on this proposition unless they are fooled by misrepresentation.

CULBERT L. OLSON,  
Senator, Thirty-eighth District,  
Chairman of Special Committee of State  
Senate Investigating Extraction of Oil  
and Gas from State Tidelands.

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classed as nonintoxicating, but such beverages, excepting those containing less than one-half of 1 per cent of alcohol by weight shall be subject for all purposes to the provisions of this section and of laws adopted pursuant hereto.

(m) The Alcoholic Beverage Commission shall have power to adopt and enforce fair trade practice regulations and price posting provisions controlling the wholesale or retail sale of alcoholic beverages.

(n) As herein used, the word "person" means every natural person, firm, copartnership, joint adventure, corporation, business trust, receiver, estate, syndicate or other group or combination act-

ing as a unit, exclusive of municipal corporations, political subdivisions, the State, all public corporations and publicly constituted monopolies.

Nothing herein contained shall be construed to repeal, amend, modify, limit or affect any laws now or hereafter to be enacted relative to the imposition, levying, assessment and collection of any and all State taxes, other than fees for licenses or occupational taxes over which the Alcoholic Beverage Commission of the State of California shall have jurisdiction by reason of this section and statutes enacted pursuant thereto. All provisions of this section shall be self-executing.

**PROHIBITING TIDELAND SURFACE OIL DRILLING. AUTHORIZING SLANT DRILLING FROM UPLANDS. Initiative.** Prohibits drilling from surface of tide, submerged and overflowed lands not heretofore leased or allocated. Authorizes Director of Finance on behalf of State to execute thirty-year subsurface leases upon fourteen and two-sevenths per cent royalty to State for extracting oil, gas or other hydrocarbons from beneath tide, submerged and overflowed lands by wells slanted from uplands, prohibiting pollution of tide, ocean, bay or inlet waters. Directs one-half State revenue from such leases be used to acquire, improve and maintain beaches and parks. Repeals conflicting legislation.

YES

NO

Sufficient qualified electors of the State of California have presented to the Secretary of State a petition and request that the proposed law hereinafter set forth be submitted to the people of the State of California for their approval or rejection, at the next ensuing general election. The proposed law is as follows:

(This proposed law does not expressly amend any existing law; therefore, the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

#### PROPOSED LAW

An act to secure revenues for the State from certain natural resources, one-half of such revenues to be devoted to acquiring, improving and maintaining beaches and parks, all without pollution or contamination of the ocean or tidelands and without interference with bathing, fishing or navigation, by authorizing subsurface leases to extract oil, gas and other hydrocarbons from beneath the surface of tidelands, submerged and overflowed lands by wells slanted from the uplands; prohibiting drilling for oil from the surface of tide, submerged and overflowed lands not heretofore leased or allocated; repealing all acts and parts of acts conflicting herewith.

The People of the State of California do enact as follows:

**Section 1.** Excepting as by this act specifically authorized, no lease, license, easement, privilege or permit shall at any time be granted either by the State of California or any State official, or by any political subdivision of the State, or any city, city and county, or any official of either or any of them authorizing the drilling for oil, gas or other hydrocarbon substances from the surface of,—or by means of piers, piling or other structures or machinery erected, constructed or placed upon the surface of any tidelands, submerged or overflowed lands of the State of California.

**Section 2.** Upon written application therefor, by the owner of any littoral land, or by the successor, assignee, or nominee of such littoral land owner, the Director of Finance, on behalf of the State of California, subject only to the provisions of this act, shall grant to such applicant, irrespective of any acreage limitation, a lease or easement, by means of slanted wells, drilled from the uplands, to prospect for, drill for, develop, extract, take, remove and dispose of (subject to royalty payments) oil, gas and hydrocarbon substances of whatsoever kind within and from the subsurface of such portion of the state-owned tidelands, submerged and overflowed lands, whether filled or unfilled, whether within the known geologic structure of a producing oil or gas field

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or not, and whether or not they front on an incorporated city or be within any given distance on either side thereof, as adjoin the littoral land described in the application, and extending oceanward from the common boundaries of such littoral lands and such state-owned lands for such distance as shall be specified in the application, not exceeding one mile, together with all necessary or convenient easements, but excepting and excluding any portion or all of the state-owned lands described in the application which may then be subject to a previously issued oil and gas lease, or valid and subsisting prospecting permit, issued pursuant to law in that behalf.

Section 3. All leases issued pursuant to this act shall be for a term of thirty (30) years; and shall be upon a royalty to the State of fourteen and two-sevenths per centum ( $14\frac{2}{7}\%$ ) in amount or value of all oil, gas or other hydrocarbon substances produced and saved from such state-owned lands, and the annual payment in advance of a rental of ten dollars (\$10) per acre with a minimum annual rental of five hundred dollars (\$500), the rental for any one year to be credited against the royalties as they accrue for that year; such leases shall also provide, among other matters:

(a) Each well drilled pursuant to the terms of such lease shall be slant-drilled from the uplands drill site to and into the subsurface of the tidelands, submerged or overflowed lands covered by the lease. The derrick, machinery, and any and all other surface structures, equipment and appliances shall be located upon the said littoral lands of applicant or uplands in the general vicinity thereof, and all surface operations shall be conducted on and from such uplands drill site.

(b) Pollution and contamination of the ocean and tidelands and all impairment and all interference with bathing, fishing or navigation in the waters of the ocean or any bay or inlet thereof is prohibited and no oil, petroleum, tar, residuary product of petroleum oil or any refuse of any kind from any well or works shall be permitted to be deposited on or pass into the waters of the ocean or any bay or inlet thereof.

(c) Development work shall be commenced within sixty (60) days from the date of issuance of the lease, and shall be continued with reasonable diligence. In case oil or gas be found in commercially paying quantities in any well drilled pursuant to such lease, then drilling operations shall thereafter be prosecuted with reasonable diligence,—until a total number of wells, including offset wells, shall have been drilled equal to one well for each three hundred thirty (330) feet, or major fraction thereof, of the direct distance between the extremities of the ocean front boundary of the littoral lands described in the application. Such distance, and the number of wells required to be drilled, shall, however, be diminished proportionately by any relinquishments made pur-

suant to the provisions hereof. At any time during the continuance of the lease, the lessee shall have the option to drill such additional wells, and any wells to such additional depth, as lessee deems desirable.

(d) In event there be any well or wells drilled that the producing intervals thereof are within three hundred (300) feet of any exterior boundary line of the property embraced within the lease, and which are producing oil, gas or other hydrocarbon substances in commercially paying quantities, and as to which no royalty is being paid to the State, the lessee shall reasonably offset such wells so as to minimize drainage. For such purpose lessee shall not be required to operate with more than two (2) strings of tools.

(e) In event of failure to comply with any drilling obligations of the lease and continuance of such failure without taking steps to remedy the same, for ninety (90) days after service on lessee of written notice thereof, then at the election of the Director of Finance, the right of the lessee to drill further wells under such lease shall be forfeited. Such forfeiture shall not affect the right of lessee with respect to wells previously drilled or at the time in process of being drilled.

Defaults by lessee shall be excused when and so long as the lessee shall be prevented from carrying on the required operations under the lease by reason of riots, wars, court proceedings, pendency of action for testing the validity of this act or the application thereof, acts of God, and other similar or dissimilar preventing causes over which lessee shall have no control.

(f) The lessee shall have the right at any time to quitclaim and to relinquish all or any part of the State lands covered by such lease and thereby to be relieved proportionately of drilling obligations and other obligations with respect to the lands so relinquished.

The Director of Finance is hereby authorized and directed to make and enforce reasonable rules and regulations not inconsistent with the provisions of this act for the purpose of carrying out the provisions of this act, and to do all things necessary, including preparation, execution and delivery of leases, to carry out and accomplish the purposes of this act.

Section 4. One-half of the revenues received by the State under any lease, license or easement made under the provisions of this act shall be paid into the funds of the Department of Natural Resources, and one-half of said royalties so received by said Department shall be used by said Department for the acquisition, improvement and maintenance of the public ocean beaches in the State, and the Department of Natural Resources shall use the remaining portion of such royalties received by it to operate and increase the facilities of the California State Parks System. The other one-half of the royalties received

by the Director of Finance shall be paid into the general fund of the State.

Section 5. Slant-drilled wells may be drilled pursuant to this act without restriction as to the distance from which any well or any derrick may be from any other well or derrick, or from any street or highway, or from the exterior boundaries of any tract of land, or as to the size or dimensions of any parcel of littoral lands or uplands upon which the surface installations of or for one or more wells may be located or the drilling operations for one or more wells may be conducted.

Section 6. In case two or more applications made pursuant to section 2 of this act conflict or overlap, as to the state-owned lands which will be included within the leases applied for by such applications, then the Director of Finance shall have authority and shall allocate the portions of state-owned tide, submerged or overflowed lands as to which there is such conflict or overlap, to, between, or among the respective applicants on an equitable basis.

Section 7. Nothing in this act contained shall in anywise or manner limit, curtail, impair, restrict or prohibit the right of any incorporated city, or city and county, by lawful zoning or other ordinance, to regulate, restrict and/or prohibit the drilling of oil and gas wells within the corporate limits of such incorporated city or city and county.

Nothing in this act contained shall be construed as interfering with or in any manner affecting any valid or existing oil or gas lease covering state-owned tide, submerged or overflowed lands, nor valid subsisting prospecting permit covering such lands, nor shall the provisions of this act apply to or in any manner affect any well which shall heretofore have been slant-drilled into state-owned tide or submerged lands and with respect to which the State is receiving royalties therefrom.

Section 8. Definitions. When used in this act the following terms shall, unless the context other-

wise indicates, have the following respective meanings:

(a) The word "tidelands" means lands owned by the State below the line of ordinary high water mark, also lands adjoining said lands but raised above the same by causes other than natural accretion.

(b) The words "littoral lands" mean lands bordering upon, and having a common boundary with tidelands, as herein defined.

(c) The word "uplands" means lands above tidelands whether adjoining the same or not.

(d) The words "well site" or "uplands well site" mean that portion of littoral lands or of other uplands upon which the surface installations for a well shall be located and from which a slant well shall be drilled.

(e) The word "subsurface" means all of the state-owned tide, submerged or overflowed lands and the contents thereof situate, lying and being more than one hundred (100) feet below the surface of such state-owned lands or the bed of the overlying waters.

(f) The word "lease" includes easements.

(g) The word "lessee" includes the original applicant and the assignee and successors in interest of such applicant.

Section 9. If any section, subsection, sentence, clause or phrase of this initiative act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions thereof. The people hereby declare that they would have passed this act, and each and every section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more other sections, subsections, sentences, clauses or phrases be declared unconstitutional.

Section 10. All acts and parts of acts inconsistent or conflicting with this initiative act are hereby repealed.